



Company Fact Sheet

Corporate Profile

TVA is a corporate agency and instrumentality of the United States government created in 1933 by an act of Congress and charged with providing navigation, flood control, and agricultural and industrial development, while providing electric power to the Tennessee Valley region.



TVA is the largest public power company in the United States and operates one of the largest electric power systems in North America. TVA is completely self-financing, and meets the needs of its power and non-power operations through internally generated cash flows. TVA raises capital for its power program primarily through public market financings. Since 1996, TVA has reduced the balance of its total financing obligations by \$1.8 billion.

Congress made TVA's power program self-financing in 1959. Since that time, TVA has paid back a portion of the government's \$1.4 billion investment in its power program each year along with a dividend-like return payment at a market rate of interest. In 2004, these combined payments equaled \$38 million. Since 1959, TVA has made total payments to the U.S. Government of more than \$3.5 billion.

TVA 2004 Quick Facts

- Nation's largest public power system
- \$7.5 billion total revenues
- 155 billion kWh total 2004 system generation
- 166 billion kWh total 2004 power sales
- 33,189 MW power system capacity (net winter dependable)
- 158 power distributors, 62 directly-served industries and government agencies
- 99.999 percent transmission system reliability
- 17,000 miles of transmission lines
- 80,000 square-mile service area, covering parts of seven states
- Steward of the nation's fifth-largest river system
- 800 miles of commercially navigable waterways
- 49 dams for integrated river management
- \$338 million in tax-equivalent payments to states and counties
- Helped leverage economic development investments of \$2.1 billion in connection with regional economic development partners

Financial Highlights *At September 30, or for the years ending September 30, as appropriate (in millions of dollars)*

	2004	2003	2002
Operating revenues	\$ 7,533	\$ 6,953	\$ 6,798
Operating expenses	(5,873)	(5,398)	(5,323)
Operating income	1,660	1,555	1,475
Other income and expenses, net	30	22	17
Interest expense, net	(1,304)	(1,350)	(1,429)
Cumulative effects of accounting changes	-	217	-
Net income	\$ 386	\$ 444	\$ 63
Total assets	\$ 34,280	\$ 33,111	\$ 30,889
Total liabilities	\$ 32,016	\$ 31,217	\$ 29,473
Cash flows from operations	\$ 3,123	\$ 1,511	\$ 1,314
Construction expenditures	\$ 1,552	\$ 1,693	\$ 1,230



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TVA Power System Resources

TVA uses a diverse mix of coal, nuclear, hydro, natural gas, fuel oil, and renewable energy sources capable of generating 33,189 megawatts of winter dependable capacity.

Generation Capacity

- 11 fossil plants (59 units)
- 3 nuclear plants (5 units)
- 29 hydro plants (109 units)
- 6 combustion turbine plants (72 units)
- 1 pumped storage plant (4 units)
- 2 diesel generator sites (7 units)

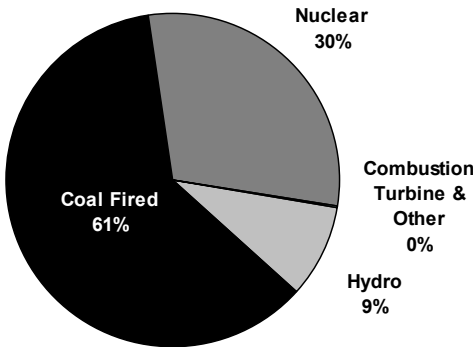
Power System Milestones

- Set an all-time fossil system record for reliability from May through September 2004.
- Set continuous run records at a dozen TVA fossil units in 2004, including Widows Creek Unit 3, which set a new TVA fossil-system record of 616 days.
- Earned recognition from *Nucleonics Week* magazine for all three TVA nuclear plants being among the nation's 12 most-efficient generators.
- Earned recognition from *Electric Power & Light* magazine for TVA's Bull Run Fossil Plant being the most energy-efficient coal-fired plant in the nation in 2002

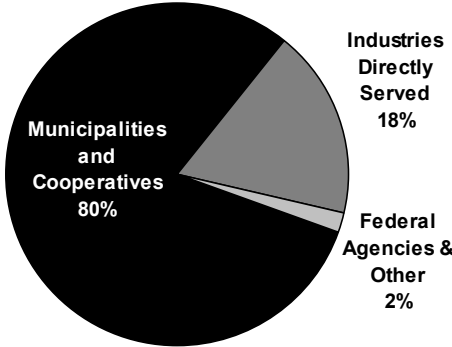
Green Power Switch®

Under TVA's Green Power Switch® program, electricity produced from cleaner, greener sources, is added to the Tennessee Valley's power mix. For the third year in a row, TVA's Green Power Switch renewable-energy initiative has earned two top-10 national rankings from the National Renewable Energy Laboratory.

2004 Generation by Fuel Source



2004 Power Sales by Customer Type



Investor Base

Investors in all 50 states and in over 60 countries have purchased TVA securities.

Key Strengths of TVA Securities

- TVA's rated securities are given a triple-A credit rating by major credit rating agencies.
- The TVA Act requires TVA to set power rates sufficient to pay, among other things, debt service on outstanding bonds.
- TVA securities may be issued only to provide capital for power program purposes, including the refunding of existing debt.
- Bondholders are given first pledge of payment from net power proceeds.
- Both principal and interest on TVA securities are generally exempt from state and local income taxes. TVA securities are not exempt from estate, inheritance, and gift taxes, or from federal income taxes.

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